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Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
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TO USICA WASHDC IMMEDIATE
CINCPAC HONOLULU HI
INFO SECSTATE WASHDC 8624

UNCLAS SECTION 1 OF 2 JAKARTA 6000

FOR PGM/RC AND VOA WASHDC AND CINCPAC FOR PETTUS

E.O. 11652: N/A
SUBJECT: MEDIA REACTION -- VICE PRESIDENT'S VISIT

VICE PRESIDENT MONDALE'S VISIT TO JAKARTA WAS STILL
RECEIVING POSITIVE EDITORIAL REACTION AND PAGE-ONE NEWS
TREATMENT MAY 9, TWO DAYS AFTER THE VICE PRESIDENT DEPARTED.
ALL PAPERS GAVE TOP BILLING TO COMMENTS BY WIJOYO NITISASTRO,
COORDINATING MINISTER FOR ECONOMIC, FINANCIAL AND INDUSTRIAL
AFFAIRS, FOLLOWING A DISCUSSION WITH PRESIDENT SUHARTO.

WIJOYO WAS QUOTED AS SAYING, "THE READINESS OF THE U.S.
GOVERNMENT TO BUY INDONESIA'S LIQUIFIED NATURAL GAS WITH
A PRICE ESCALATION SYSTEM WILL BOOST EXPANSION OF THE LNG
FIELD IN ACEH." FURTHER TALKS WILL BE HELD WITH THE U.S.,
WIJOYO SAID, "TO ASCERTAIN THE (LNG) PRICE AND TO DISCUSS
PLANS TO EXPAND THE ARUN LNG PROJECT," BY ADDING TWO OR
THREE NEW TERMINALS.

THE NEWSPAPERS REPORTED THE MINISTER AS SAYING THAT
AS A CONSEQUENCE OF THE U.S. GOVERNMENT'S DECISION NOT RPT NOT
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TO IMPOSE ADDED TAXES ON AMERICAN OIL COMPANIES OPERATING IN
INDONESIA, "PERTAMINA WILL SOON 'PUT INTO FORCE' ITS LONG-
STANDING CONTRACTS WITH THE AMERICAN OIL FIRMS, FROZEN PENDING
THE IRS DECISION."

HE WAS REPORTED AS QUOTING PRESIDENT SUHARTO AS SAYING
THAT "IF THE UNITED STATES DOES CONSIDER ASEAN AS IMPORTANT,

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IT MUST PROVE ITSELF AT THE NEXT U.S.-ASEAN MEETING IN
WASHINGTON BY PROVIDING A POSITIVE RESPONSE TO...THE MEETING
IN MANILA."

ANTARA, THE NATIONAL NEWS AGENCY CARRIED AN INTERVIEW
WITH THREE INDONESIAN PARLIAMENTARIANS, SUDARDJI, A MEMBER
OF COMMISSION SEVEN (TRADE), SABAM SIRAIT, SECRETARY GENERAL
OF THE INDONESIAN DEMOCRATIC PARTY (PDI), AND KAMIL KAMKA OF
COMMISSION ONE (POLITICS, SECURITY, DEFENSE, FOREIGN AFFAIRS
AND INFORMATION).

SUDARDJI SAID THE MONDALE VISIT WAS "A GREAT SUCCESS FOR
BOTH COUNTRIES" AND HAS "CONSOLIDATED THE LEADERSHIP OF PRESIDENT
SUHARTO AND STRENGTHENED THE POSITION OF THE THIRD PEMBANGUNAN
(DEVELOPMENT) CABINET." THE U.S. DETERMINATION TO PLAY
A CONSTRUCTIVE ROLE IN THE PACIFIC, HE ADDED, "CONTRIBUTES
TO THE PRESERVATION OF POLITICAL STABILITY IN SOUTHEAST
ASIA."

HE SAW THE MONDALE MEETING WITH NON-OFFICIAL INDONESIANS
AS A "POSITIVE" ELEMENT IN THE VISIT, ADDING THE MEETING
"WILL ENABLE MONDALE TO HAVE A CLEAR PICTURE OF INDONESIA."
ON HUMAN RIGHTS: THEY ARE "SOMETIMES SACRIFICED FOR THE SAKE
OF STABILITY, BECAUSE STABILITY IS OF MAJOR IMPORTANCE TO
A DEVELOPING NATION. THE U.S. GOVERNMENT SEEMS TO UNDERSTAND
OUR ATTITUDE," SUDARDJI SAID.
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SABAM SIRAIT EXPRESSED "PLEASURE" OVER RESOLUTION OF
THE OIL-COMPANY TAX ISSUE. "THIS WILL ENCOURAGE MORE U.S.
INVESTMENT IN THIS SECTOR," HE SAID, ADDING, HOWEVER, THAT
THE U.S. "HAS NOT MADE IT CLEAR WHETHER IT PLANS TO REDUCE
OIL IMPORTS FROM INDONESIA."

HE REGARDED THE MEETING WITH THE UNOFFICIAL INDONESIANS
AS "CERTAINLY IMPORTANT," BUT DECLINED FURTHER COMMENT. THE
HUMAN RIGHTS ISSUE, HE SAID, "IS OUR OWN PROBLEM." INDONESIA,
HE SAID, RESPECTS THE HUMAN RIGHTS ISSUES RAISED BY THE U.S.
VICE PRESIDENT, BUT ADDED, THEY "SHOULD NOT INFLUENCE OUR
ATTITUDE ON THE MATTER."

KAMIL KAMKA REGARDED THE MONDALE VISIT AS "AN OPPORTUNITY
FOR INDONESIA TO EXPLAIN MORE BROADLY ITS VIEWS AND ATTITUDES
ON MATTERS RELATING NOT ONLY TO INDONESIA, BUT ALSO ON
REGIONAL MATTERS, ESPECIALLY MATTERS RELATING TO ASEAN,
AND (OTHER) INTERNATIONAL CONCERNS."

THE INTERVIEWS WERE CARRIED BY THREE JAKARTA NEWSPAPERS,
PELITA, THE MOSLEM PARTY PAPER, EMPAT LIMA, A DAILY WITH

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TIES TO ADAM MALIK, AND THE ENGLISH LANGUAGE INDONESIA TIMES.

BERITA BUANA, A DAILY WITH MILITARY TIES, CARRIED A THREE-COLUMN PHOTO OF MRS. MONDALE'S VISIT TO TAMAN MINI INDONESIA WITH MRS. MALIK. THE INDEPENDENT DAILY SINAR HARAPAN CARRIED A SIMILAR PHOTO WITH A STORY ON HER VISIT.

SUARA KARYA, THE PRO-GOVERNMENT GOLKAR PARTY PAPER, AND MERDEKA, A NATIONALISTIC DAILY, BOTH GAVE HEAVY PLAN TO THE UPCOMING U.S. AUSTRALIAN NEW ZEALAND NAVAL EXERCISE IN THE INDIAN OCEAN, SEEING IT AS "A RESPONSE TO THE SOVIET NAVAL BUILD-UP IN THE REGION."

PELITA, THE DAY BEFORE, CARRIED A PAGE-ONE STORY HEADED,
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"GLIMPSES OF THE MONDALE VISIT," ALLEGING AN "OVERREACTION-- THOUGH NOT BY ALL -- OF AMERICAN SECURITY AGENTS "DURING THE MAY 6 MEETING BETWEEN MONDALE AND MALIK AT THE ISTANA NEGARA.

SINAR HARAPAN, ONE OF JAKARTA'S TWO LEADING INDEPENDENT DAILIES, OBSERVED IN A MAY 8 EDITORIAL THAT "OUR RELATIONSHIP WITH THE UNITED STATES IS A VERY POSITIVE ONE, AIMED AT INCREASING OUR WELL-BEING AND OUR NATIONAL RESILIENCE."

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
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THE EDITORIAL DECLARED THAT MONDALE'S REMARKS ABOUT THE "EXCEL-
LENCE" OF U.S.-INDONESIAN RELATIONS AND THE VALUE OF HIS TALKS
WITH SUHARTO, ARE NOT RPT NOT TO BE REGARDED AS "MERE
COURTESY DIPLOMACY" BUT AS "AN INDICATION OF ENCOURAGING
GOODWILL."

SINAR HARAPAN APPLAUDED DEVELOPMENTS DURING THE VISIT IN
THE AREAS OF LIQUIFIED-NATURAL-GAS PRICING AND THE OIL-COMPANY
TAXATION ISSUE. "IT IS ALSO A POSITIVE THING FOR THE UNITED
STATES TO BE CONCERNED OVER THE ISSUES OF FOOD, RURAL DEVEL-
OPMENT AND OUR NEED TO MODERNIZE OUR ARMED FORCES," SINAR
HARAPAN ADDED.

"ON THE DIFFICULT ISSUE OF HUMAN RIGHTS THE VICE PRESIDENT'S
VISIT WAS CONDUCTED WITHIN A CLIMATE OF MUTUAL RESPECT AND
WITH AN OPEN-MINDED ATTITUDE," SAID SINAR HARAPAN.

THE INDEPENDENT DAILY KOMPAS IN A MAY 9 EDITORIAL ENTITLED,
"MONDALE'S SURPRICE COUP," WROTE: "RESOLUTION OF THE TAX ISSUE
REGARDING AMERICAN OIL COMPANIES IN INDONESIA IS ONE OF THE
IMPORTANT RESULTS OF THE DISCUSSIONS THAT TOOK PLACE ON U.S.-
INDONESIAN ISSUES... WE HOPE THAT THIS WILL BE THE STARTING
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POINT FOR RENEWED ACTIVITY BY THE COMPANIES, FOR INDONESIA
IS EAGER TO INCREASE ITS OIL PRODUCTION.

"IN THE MEANTIME, RESOLUTION OF THE PRICING PROBLEM ON
LIQUIFIED NATURAL GAS WILL HELP OVERCOME THE STAGNATION
THAT HAS SET IN WITH REGARD TO THE LNG PROJECT IN ARUN.

"THE MOST IMPORTANT RESULT (OF THE MONDALE VISIT),
HOWEVER, APPEARS TO HAVE BEEN THE AMERICAN WILLINGNESS TO
ASSIST INDONESIA IN A BROAD ECONOMIC SPECTRUM. THIS APPLIES
NOT ONLY TO LOANS BUT TO ALL ECONOMIC ENDEAVORS INCLUDING
TRADE... THIS IS THE MAJOR SURPRISE COUP (OF THE MONDALE
VISIT).

"THIS TYPE OF HELP IS IMPORTANT, FOR IT IS NEEDED BY
DEVELOPING COUNTRIES SUCH AS INDONESIA IN EFFORTS TO INCREASE
ACTIVITIES IN THE FIELDS OF INDUSTRY, TRADE, FINANCE AND
SERVICES... IT WOULD LESSEN DEPENDENCE ON ASSISTANCE FROM
THE DEVELOPED COUNTRIES..."

THE ENGLISH-LANGUAGE INDONESIA TIMES SAID, IN AN EDITORIAL
DEALING WITH SOVIET APPROACHES TO ASEAN, "THE RESULTS OF TALKS
WITH MALAYSIA'S AND SINGAPORE'S HEADS OF GOVERNMENT VISITING
WASHINGTON, AND VICE PRESIDENT WALTER F. MONDALE'S RECENT
TOUR TO THE OTHER THREE ASEAN MEMBER COUNTRIES, DISCLOSED

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WASHINGTON'S OFFER TO AND ATTITUDE TOWARD ASEAN.

""IT CAN NOT BE DENIED THAT MOSCOW, PEKING AND WASHINGTON HAVE THE SAME INTEREST TO SECURE HERE, NAMELY THEIR RESPECTIVE NATIONAL INTERESTS. BUT WITH WASHINGTON OFFERING COOPERATION AND SUPPORT, LEAVING ASEAN AS IT IS, MEANS THAT WASHINGTON KNOWS BETTER THAN THE OTHERS WHAT ASEAN'S ASPIRATION ARE."

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(NOTE: IN JAKARTA 5919, SECOND SENTENCE, PAGE ONE, SHOULD READ XXX THE STORIES COVERED THE VICE PRESIDENT'S REMARKS ON OIL TAX POLICY, RELEASE OF POLITICAL PRISONERS, FURTHER NEGOTIATIONS OF F-5 AIRCRAFT PURCHASE....XXX) ENDUSINFO.
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